



8011-01p
SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request Copies Available From:
Securities and Exchange Commission
Office of Investor Education and Advocacy
Washington, DC 20549-0213

Extension: Appendix F to Rule 15c3-1

SEC File No. 270-440, OMB Control No. 3235-0496

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (“PRA”), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Appendix F to Rule 15c3-1 (“Appendix F” or “Rule 15c3-1f”) (17 CFR 240.15c3-1f) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Appendix F requires a broker-dealer choosing to register, upon Commission approval, as an OTC derivatives dealer to develop and maintain an internal risk management system based on Value-at-Risk (“VaR”) models. It is anticipated that a total of four (4) broker-dealers registering as OTC derivatives dealers will spend 1,000 hours on a one-time basis complying with the system development requirements of Rule 15c3-1f, for an estimated one-time initial startup burden of approximately 4,000 hours. Appendix F also requires the OTC derivatives dealer to maintain its system model according to certain prescribed standards. It is anticipated that a total of eight (8) broker-dealers will spend 1,000 hours per year maintaining the system model required by Rule 15c3-1f, for an estimated recurring annual burden of approximately 8,000 hours. Thus, the total industry-wide burden is estimated to be approximately 12,000 hours (4,000 hours + 8,000 hours) for the first year and 8,000 hours for each subsequent year.¹

¹ The Commission estimates that a total of eight entities will be registered as OTC derivatives dealers at the end of the next three years, consisting of the four current OTC derivatives dealers and four anticipated registrants. This is in contrast with the prior estimate of five OTC derivatives dealers, consisting of four current OTC derivatives dealers and one anticipated registrant.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

The Commission may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

Please direct your written comments to: Thomas Bayer, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 6432 General Green Way, Alexandria, Virginia 22312 or send an e-mail to: PRA_Mailbox@sec.gov.

Kevin M. O'Neill
Deputy Secretary

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